

Denying oil's gloomy future is only making things worse

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Body

Demand for oil has dropped like a stone since the pandemic hit.

Renewable energy is gaining ground around the world.

Forests in the western U.S. are burning up because climate change means warmer, drier weather: yet another urgent call to reduce carbon emissions as fast as possible.

And yet Alberta Premier Jason Kenney can still hardly bring himself to utter the words "climate change," "energy transition" or, God forbid, "green plan." Instead he refers to "green plans" as "pie-in-the-sky ideological schemes." Instead he establishes an inept "war room" to fight environmentalists who he says are wrecking Alberta's plans to keep producing oil.

If Justin Trudeau's economic recovery plan to be announced in this week's throne speech features a "green" recovery, Kenney has already signalled that he will take it as an affront and a threat to the survival of Alberta's petroleum industry.

So is there anything that might change Kenney's denial of reality?

Or will he continue to furiously row the leaky fossil fuel lifeboat that he desperately hopes will deliver Alberta back to prosperity?

Oil and natural gas as sources of much-needed energy for transportation and electrification are not going to disappear overnight, no matter what climate activists and green economists want.

But demand is going to slow down as governments move to significantly reduce carbon emissions in order to slow climate change, and as improvements in technology make solar, wind, and hydrogen power - as well as electric vehicles - more and more feasible.

So says international petroleum giant BP, which last week predicted that oil demand will peak this decade. In its latest report, DNV-GL, a Norwegian-based worldwide risk assessment expert, predicts the demand for oil may never exceed 2019 levels. The cover story for the latest issue of The Economist predicts clean energy will soon upend relationships between the world's power brokers.

These are conservative voices, not the wild-eyed radicals that Kenney envisages as yearning to put a stake in the heart of the fossil fuel industry.

And what is he going to do if Joe Biden is elected president of the United States? Biden has a \$2-trillion - yes, trillion - detailed green plan that, in its quest for clean energy, pretty much ignores the fact that the U.S. is the world's biggest oil producer.

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Among other things, Biden aims to remove carbon from the electricity sector by 2035 using a clean energy standard for utilities; funnel billions of dollars of government money over the next four years into research and development of batteries and electric vehicles; create a million new jobs in clean energy auto manufacturing, auto supply chains and auto infrastructure; and provide funding for green infrastructure that would include 500,000 electric vehicle charging stations.

Of course, if Biden wins, he and Justin Trudeau will be much chummier on a host of issues, including climate change activism, than Trudeau and Donald Trump are.

Where will that leave Kenney? Fighting it out against the rest of the world?

Kenney will be in office for the next three years and they promise to be tumultuous times. So he needs to consider how he can forge some kind of alliance with Trudeau that will help Alberta and the rest of the country more easily adapt to the world's changing energy requirements.

Promoting, protecting and defending the oil and gas industry at all costs, which is what Kenney has been doing since he was elected last year, isn't working so far. He needs to look and act like a leader who is ahead of the pack, not someone who is desperately fighting off the pack at his heels.

There is no better example than the kind of alliances and gamesmanship that Alberta's NDP Leader Rachel Notley embraced when she was premier.

She was certainly given the most credit by Albertans for the decision by the Trudeau government to purchase the \$4.5-billion Trans Mountain pipeline project and save it from being mothballed. Would that have happened if she hadn't previously committed to Trudeau's national climate action plan? Not likely.

Alberta, and all of Canada, would stand to benefit if Kenney would now simply face reality and get on with what needs to be done.

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